

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
DETROIT THERMAL, LLC , for a steam supply cost)	
recovery reconciliation proceeding for the 12-month)	Case No. U-17696-R
period ended March 31, 2016.)	
_____)	

At the March 28, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On June 30, 2016, Detroit Thermal, LLC (Detroit Thermal), filed an application for the purpose of reconciling its steam supply cost recovery (SSCR) revenues and expenses for the 12-month period ended March 31, 2016. The revenues being reconciled were those received under the SSCR factor approved in Case No. U-17696.

Detroit Thermal's application indicated that it had a cumulative overrecovery, inclusive of interest, and requested to roll the cumulative overrecovery into the company's 2016-2017 SSCR plan period by adding the overrecovery to the 2016-2017 SSCR reconciliation monthly over-/underrecovery beginning balance.

A prehearing conference was held on September 15, 2016, before Administrative Law Judge Dennis W. Mack. Detroit Thermal and Commission Staff participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

According to the settlement agreement, attached as Exhibit A, the parties agree that Detroit Thermal had a cumulative steam supply cost overrecovery of \$604,770, inclusive of applicable interest, as of March 31, 2016. The parties also agree that Detroit Thermal shall reflect the \$604,770 cumulative steam supply overrecovery as its beginning balance in its 2016-2017 SSCR reconciliation in accordance with the standard procedures.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Detroit Thermal, LLC, is authorized to reflect its 2015-2016 cumulative steam supply overrecovery of \$604,770 as the beginning balance in its 2016-2017 steam supply cost recovery reconciliation.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of March 28, 2017.

Kavita Kale, Executive Secretary

EXHIBIT A

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
Detroit Thermal, LLC for a steam)	
supply cost recovery reconciliation proceeding)	Case No. U- 17696-R
for the 12-month period ended March 31, 2016)	
_____)	

SETTLEMENT AGREEMENT

As provided in Section 78 of the Administrative Procedures Act of 1969 (“APA”), as amended, MCL 24.278, and Rule 333 of the Commission’s Rules of Practice and Procedure, 2000 AC, R 460.17333, Detroit Thermal, LLC (“Detroit Thermal” or the “Company”) and the Michigan Public Service Commission (“Commission” or “MPSC”) Staff (“Staff”) (hereafter, collectively referred to as the “Parties”) have agreed to resolve the issues before the Commission regarding the reconciliation of Detroit Thermal’s steam cost recovery (“SCR”) costs/steam supply cost recovery (“SSCR”) costs for the twelve-month period ended March 31, 2016 as follows:

1. On June 30, 2016, Detroit Thermal filed an application for the purpose of reconciling its steam supply cost recovery revenues and expenses for the twelve-month period ended March 31, 2016 in accordance with Public Act 132 of 2008.
2. The revenues being reconciled were those received under the steam cost recovery factor approved in MPSC Case No. U-17696 for the April 1, 2015 through March 31, 2016 period.
3. On August 1, 2016, the Commission issued its Notice of Hearing directing Detroit Thermal to mail a copy of the Notice of Hearing to all cities, incorporated villages,

townships and counties in its service area and to all intervenors in Cases U-17337-R and U-17696. Detroit Thermal was also instructed to mail a copy of the Notice of Hearing to each of its customers. Detroit Thermal electronically filed the requisite proofs of service with the Commission on August 8, 2016 and August 11, 2016.

4. Administrative Law Judge Dennis W. Mack presided over the September 15, 2016 pre-hearing conference and approved a procedural schedule. Staff participated in the proceeding. There were no intervenors.

5. Subsequent to the pre-hearing conference, the Parties engaged in discussions and have agreed as follows:

a. Proceedings in this SSCR reconciliation were conducted in accordance with Detroit Thermal's Steam Supply Cost Recovery Clause and Public Act 132 of 2008.

b. The expenditures charged by Detroit Thermal for its steam supply costs during the twelve-month period ending March 31, 2016 were reasonably and prudently incurred.

c. As of March 31, 2016, Detroit Thermal had a cumulative steam supply over-recovery of Six Hundred Four Thousand Seven Hundred Seventy Dollars (\$604,770), inclusive of applicable interest.

d. The Parties agree that Detroit Thermal will reflect the March 31, 2016 cumulative over-recovery amount of Six Hundred Four Thousand Seven Hundred Seventy Dollars (\$604,770), inclusive of applicable interest, as the beginning balance of Detroit Thermal's 2016-2017 SSCR reconciliation in accordance with the standard procedures.

6. The Parties believe that this Settlement Agreement will promote the public interest and will aid in the expeditious conclusion of this case.

7. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the Parties. All offers of settlement and discussions relating to this settlement are considered privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, the Parties to the settlement shall not make any reference to, or use this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position in any other case or proceeding; provided however, such references may be made to enforce or implement the provisions of this Settlement Agreement.

8. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-17696-R. If the Commission approves this Settlement Agreement without modification, the undersigned parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement. Except as otherwise stated in this Agreement, the Parties agree and understand that this Settlement Agreement does not limit any party's right to take new or different positions on similar issues in other administrative proceedings or appeals.

9. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependant upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, shall not constitute any part of


the record in this proceeding or be used for any other purpose, and shall not operate to prejudice the pre-negotiation positions of any party.

10. Staff agrees that this Settlement Agreement is reasonable and in the public interest.

11. The Parties agree to waive Section 81 of the Administrative Procedures Act of 1969, MCL 24.281 if the Commission approves this Settlement Agreement without modification.

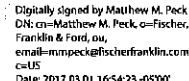
WHEREFORE, the undersigned parties respectfully request that the Commission approve this Settlement Agreement without modification, and make it effective, in accordance with its terms, by final order.

**MICHIGAN PUBLIC SERVICE
COMMISSION STAFF**

By: 
Michael J. Orris (P51232)
Assistant Attorney General
Public Service Division
7109 W. Saginaw Hwy, 3rd Floor
Lansing, MI 48911
(517) 284-8140

Dated: March 1, 2017

DETROIT THERMAL, LLC

Matthew M. 
By: Peck
Arthur J. LeVasseur (P29394)
Matthew M. Peck (P66361)
Fischer, Franklin & Ford
Attorneys for Detroit Thermal, LLC
500 Griswold St., Suite 3500
Detroit, MI 48226-3808
(313) 962-5210

Dated: March 1, 2017